

Remarks for Ambassador Michael W. Marine
The United States and Vietnam:
Vision for an Evolving Relationship

Ho Chi Minh City
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Good afternoon, ladies and gentlemen. As I hope you all already know, the United States and Vietnam have developed a close partnership and a growing friendship in the past eleven years since the normalization of diplomatic relations. Today, after serving as U.S. Ambassador to Vietnam for just over two years, I would like to take a moment to examine the current state of our bilateral relations and outline what I see as bright prospects for the further development and deepening of our ties.

Last year, we heralded the tenth anniversary of the normalization of relations. The anniversary itself was celebrated by both countries as an important milestone, not due to the passage of time, but rather because of the significant and often startling progress we have made so many areas. No one can deny that we

have come a long way, from that halting beginning to the rich panoply of shared interests we enjoy today. Just take the last 15 months, for example! In mid-2005, then Prime Minister Phan Van Khai made his historic and very successful trip to the United States. Since that visit, the U.S. Secretaries of Defense, Health and Human Services, Treasury and Veterans Affairs, the Speaker of the House of Representatives, and the new U.S. Trade Representative, as well as the Commander of the U.S. Pacific Command and hundreds of other U.S. Government visitors, have come to Vietnam for meetings with their counterparts. Senior Vietnamese Government officials have also been traveling in the opposite direction, most recently Minister of Health Madam Tran Thi Trung Chien. This high level of interaction and dialogue will continue, culminating in President George W. Bush's visit to Vietnam this fall for the Asia Pacific Economic Cooperation (APEC) Leaders Meeting.

The unprecedented pace, breadth and senior nature of our interchanges in the past 15 months marks a breakthrough to a new level of engagement. Frankly, I would not have predicted this sudden development when I arrived here two years ago. But, looking back in hindsight, it is easy to see this success as a direct consequence of the further progression of developments that were underway even then. First, the tremendous surge in bilateral trade triggered by the 2001 Bilateral Trade Agreement has been growing steadily and our people-to-people exchanges have also been expanding rapidly. Beyond that, we have developed a strong relationship with the Ministry of Health and other partners as we pour considerably more resources into the fights against HIV/AIDS and Avian Influenza. We have built a constructive and cooperative dialogue on human rights and religious freedom. Our humanitarian activities to recover the remains of those unaccounted for since the war, to improve the lives of the disabled and to deal with the problem of unexploded ordnance continue apace. Our cultural and educational exchanges and our military

contacts have all expanded. Our cooperation in regional and global fora is improving.

Our leaders are continuing to meet and discuss all these areas of common interest. We should be proud of what we have accomplished in the past eleven years.

To ensure that our partnership continues to demonstrate endurance, substance and commitment, now is the time to move forward in a serious, mature and strategic manner. Our partnership must be mutually reinforcing and mutually beneficial to our two countries. Provided that foundation is well established, as our relations evolve, our ties will have significant impact and influence beyond the bilateral sphere, positively impacting on our regional and global interests.

As we move ahead in building our ties, I am confident that we will be able to take our relationship into a new, deeper phase

leading to closer ties in a wide range of areas. The reason for my confidence is simple. To sum it up in one sentence: The United States and Vietnam share important national interests.

Both the United States and Vietnam are trading nations. Both our economies thrive on the rapid expansion of trade and a stable global environment in which to carry out that trade. The shared U.S. and Vietnamese interest in regional and global stability unites us in our cooperative efforts to combat terrorism. Both bilaterally and through organizations like APEC, the ASEAN Regional Forum and soon the World Trade Organization, we are working together to further kindle an era of global economic growth through open markets and free trade. These efforts have and will continue to open our societies to one another, to deepen the American peoples' understanding and appreciation of Vietnamese culture and history, and to build the underpinnings of Vietnam's democratization. Our ties will also serve to forestall and defuse regional conflicts.

Sharing interests and general goals is important. But my confidence that our relations will continue to deepen over the next decade is also based on specifics. First, let me turn to economic growth and what it means for our evolving bilateral relationship.

Vietnam has undertaken several waves of reform, each boosting economic growth to a new level. Through the renovation process launched two decades ago, known as “Doi Moi,” Vietnam’s leaders opened the door to growth and development. Since the U.S.-Vietnam BTA came into effect in December 2001, our bilateral trade has quadrupled, leading to a better life for millions of Vietnamese citizens and emboldening Vietnam's leaders to set the country on the path to WTO accession. The resulting transformation of Vietnam's legal and regulatory framework has improved the business climate here for all countries, not just the United States. With the privileges and responsibilities of WTO membership, Vietnam’s trade regime will

come into compliance with international norms, marking its emergence as a full member of the international economic community.

In today's world, we cannot speak about trade without turning to the protection of intellectual property rights, another key requirement for WTO membership and an area that is of understandable concern to all entrepreneurs, including Vietnamese inventors and innovators, as well as authors and performers.

Vigilant and consistent implementation of Vietnam's recently passed Intellectual Property Law will be a necessary major step toward giving Vietnam the ability to protect the intellectual property of these creative Vietnamese, as well as innovators and creators from other countries. It will also prove crucial to the continued development of the U.S.-Vietnam economic bilateral relationship. Given this issue's importance, the United States is actively working to help Vietnam improve its ability to protect IP rights. Just last month, the Supreme People's Procuracy and the

Supreme People's Court, with the support of United States Agency for International Development (USAID), held training programs on intellectual property rights protection in Hanoi and here in Ho Chi Minh City. These are among the scores of programs and exchanges we are supporting, all designed to help Vietnam prepare for and accomplish a smooth accession to the WTO.

As important as WTO membership is, it is but one chapter in Vietnam's ongoing economic liberalization process. On an even more fundamental level, Vietnam has committed itself to work to reform its state owned enterprises (SOE) sector, which currently still crowds out private sector growth and limits the ability and willingness of foreign investors to participate fully in Vietnam's economy. The parallel act to the transformation of the SOEs will be the rise of a thriving private sector with a flexible, market-oriented and transparent financial sector. These vital changes need to be accompanied by a comprehensive strengthening of the legal and court systems to establish true rule of law to mediate disputes

and provide transparency to economic transactions. These developments, provided they are implemented effectively, will greatly increase the willingness of Americans to do business and invest in Vietnam.

Although I am confident that we will share a bright future, there remain challenges, both to Vietnam's prospects for growth and its bilateral ties with the United States. One stumbling block to both economic reform and political development is corruption. In Prime Minister Nguyen Tan Dung's inaugural address, he said that Vietnam is "determined in our fight against corruption, squandering, and bureaucracy – the very top priority in the Government's agenda in the months and years ahead." I agree with the Prime Minister. Corruption is a cancer that threatens Vietnam's economic health and stability. Whiffs of corruption such as the PMU-18 scandal are enough to cause potential foreign investors to look elsewhere. Corruption undermines and debases the legal system, at a time when the establishment of a true rule of

law system is vital for Vietnam's future success. According to the watchdog group, Transparency International, Vietnam's corruption levels are rising. The nation dropped from 85th place in 2002 to 117th (out of 159 countries) in 2005.

Of course, corruption is not only a concern of, or in, Vietnam. At last year's APEC meeting, the Leaders present recognized that APEC's goal of economic prosperity could not be achieved unless corruption, both in the domestic economies and in international business transactions, was effectively addressed throughout the region and those individuals guilty of corruption were denied safehavens. The Leaders agreed that corruption undermined economic performance, weakened democratic institutions and the rule of law, disrupted social order, destroyed public trust and provided an environment for organized crime, terrorism and other threats to human security to flourish.

This concern is strongly shared by the United States. Building on work in APEC and elsewhere, President Bush announced on August 10 the “National Strategy to Internationalize Efforts Against Kleptocracy.” Working with international partners including the G-8, APEC and the United Nations, the strategy aims at denying access and financial safehaven to kleptocrats, prosecuting corruption offenses, strengthening multilateral action against bribery and enhancing capacity building for corporate governance.

As I mentioned, we are heartened by the commitment of Prime Minister Nguyen Tan Dung and his Government to tackle corruption in Vietnam and, with other global partners, we are willing to help in this important fight wherever we can.

A related challenge for Vietnam, and for strengthening our bilateral relationship, is the need to give greater space to Vietnamese citizens to come together to express their ideas,

promote political accountability and thus deepen public trust. A vibrant civil society backed by a transparent legal system and featuring open debate on matters of concern to the people is a strong bulwark against corruption. No one form of political system necessarily ensures justice for all, but all just systems are founded on the wide political participation of their citizens. In this regard, I am encouraged by the fact that significant changes are being discussed in the powers and authority of Vietnam's National Assembly. I believe that Vietnam will find that its national interests will be well-served by a more active and representative legislature. Freedom of the press is another key element that needs to be nurtured here. As societies mature, the press serves as a potent check on abuses and a transparent forum for public debate. The voice of the media in Vietnam needs to be heard on all issues.

We welcome recent progress here in the areas of human rights and religious freedom. Vietnam has taken a number of

steps, including releasing a number of individuals who had been imprisoned for the peaceful expression of their political views or religious faith, that have shown that it takes seriously the concerns of the international community. However, issues of concern remain, such as the slow pace of registering churches in northern Vietnam. We call on Vietnam to continue to address issues of international concern, including by further expanding the space for religious belief and raising the Government's tolerance for the peaceful expression of sometimes opposing political views.

I will identify one more area of both challenge and hope that I see as the U.S. Ambassador here. Vietnam's growing influence in ASEAN and its valuable input and participation in other multilateral forums -- clearly demonstrated by its performance this year as the host of APEC -- are part of a process that is creating international expectations for Vietnam to play a more visible role regionally and on the world stage, including perhaps participation in international peacekeeping activities as well as a seat on the

United Nations Security Council. Frankly, I think Vietnam will find that it will be increasingly hard to maintain its current “friends with all” foreign policy approach as the nation assumes greater responsibilities in the very complex world of 2006 and beyond; a world in which regional and global stability is threatened by nations such as Iran, North Korea and Burma. Iran and North Korea have been the subject of U.N. Security Council debate and action; the current situation in Burma should also be addressed in the U.N. Security Council.

Iran’s actions require responsible nations to recognize the reality that traditional solidarity with Iran and respect for international nonproliferation regimes are not compatible. The regime in Tehran needs to hear from all responsible governments that its pursuit of nuclear weapons is unacceptable. Vietnam’s political ties with Pyongyang go back decades; however, North Korea’s admitted kidnapping of foreign nationals, support of terrorism, nuclear weapons development, participation in the

proliferation of weapons of mass destruction and their delivery systems, involvement in the smuggling of drugs and counterfeiting of currency have made it an international pariah. Vietnam is well-placed to use its “traditional friendship” with the DPRK to help convince North Korea to forego these actions and end its isolation from the world community. Such an effort by Vietnam would accelerate its own emergence as a modern economy and responsible actor with a stake in international peace and security.

Burma is another country of broad concern, considering the transnational threats that emerge from there, such as: the drugs that flood Southeast Asia; the refugee flows that fuel Trafficking in Persons networks; human rights abuses that create a political stigma that embarrasses ASEAN and complicates that organization’s international relationships. Again, Vietnam is well placed to play a role along with its ASEAN colleagues in addressing international concerns about Burma, and the extent that it takes the initiative within ASEAN will be an important signal

about the future responsibilities it would be willing to bear as a member of the UN Security Council.

Making the appropriate shifts in Vietnam's foreign policies that I suggest above will support Vietnam's national interests in regional and global stability and will align Vietnam's policies with those of its neighbors and its major trading partners. In addition, taking stands in line with the international consensus will help cement ties with many important nations, not just with the United States. The United States – and I predict all other major powers – would welcome hearing Vietnam's voice on these important questions.

In closing, as the U.S. Ambassador, I am immensely proud of the partnership in so many areas that we have forged with Vietnam over recent years. U.S. assistance to Vietnam totaled over \$65 million in 2005. A portion of that goes to disability assistance for the more than four million physically challenged Vietnamese,

including victims of war injuries, disabilities and disasters. Since 2004, the President's Emergency Plan for HIV/AIDS Relief has spent nearly \$80 million on HIV care, prevention and treatment programs here to protect the general population from the growing threat of a generalized epidemic. With over \$50 million dedicated to Vietnam for this program in FY07, we are fully committed to working in partnership with the Ministry of Health and other groups on treatment, care and prevention, and particularly in fighting stigma and discrimination against people living with HIV/AIDS, an important issue that Vietnam's new HIV/AIDS law addresses. This year, \$5 million was also dedicated to prevention of and preparedness for Avian Influenza in Vietnam, to help protect the Vietnamese people from that disease. While the primary beneficiaries of these programs are the people of Vietnam, these health issues reverberate far beyond the Asian region. We all need to work together to prevent global pandemics.

To sum up –I am confident that Vietnam will continue to make the domestic changes needed to ensure the future prosperity and happiness of its people, with a focus not only on economic growth but also on the evolution toward the Prime Minister’s goal of a system free of corruption, built on a transparent and just legal system and greater public participation. I am hopeful that – in recognition of its own interests -- Vietnam will choose to strengthen its cooperation on challenges to global and regional stability that threaten us all. I am certain that our two peoples will continue to grow closer together, through trade and investment, through educational, technical and people-to-people exchanges, and as both our societies benefit from “globalization.”

These trends will help build the foundation for a new era of even deeper bilateral cooperation. On the U.S. side, I foresee a continuing collaborative role for the United States. I predict that we will remain Vietnam’s most important trading partner and that our process of bilateral economic integration will continue. We

will continue to stand ready to help Vietnam confront challenges – from diseases to natural disaster – as we have in the past. We will also offer to share the experience from our own history in fighting corruption, improving governance and ensuring human rights of our citizens. In these ways, I hope that the people of Vietnam see us as good friends and important partners. On that basis, there is much we can accomplish. Thank you.